

# HB 1969

## Bill Analysis

March 4, 1999

**Brief Description:** Exempting real property that will be developed by nonprofit organizations to provide homes for the aging.

**Bill Sponsors:** Representatives McIntire, Benson, Dunshee, Tokuda, Schual-Berke, Eickmeyer, Scott, Kenney, Dunn, Rockefeller, Conway, Poulsen, Veloria, D. Schmidt, Cody and Ruderman.

### Brief Summary of Bill

- Moves the date the number of low income occupants is calculated from January 1 to December 31 for purposes of the nonprofit homes for the aging property tax exemption.

**Staff:** Rick Peterson, 786-7150.

### Background:

Nonprofit homes for the aging are residential housing facilities for persons at least 62 years of age. These nonprofit homes are eligible for a property tax exemption. Some nonprofit homes for the aging receive a full exemption and others receive a partial exemption. The exemption amount is determined by a two part formula.

The first part of the formula fully exempts nonprofit homes for the aging that are subsidized under a Federal Housing and Urban Development program or that received tax exempt bond financing which requires a set-aside for low income residents. It also fully exempts nonprofit homes for the aging with at least 50 percent of the occupied dwelling units occupied by households with incomes below \$22,000 or 80 percent of the county median family income level.

The second part of the formula provides a partial property tax exemption for the homes that

do not qualify for a full exemption. The percent of the property that is exempt is equal the percentage of dwelling units occupied by persons that require assistance with activities of daily living plus the units occupied by persons that are below \$22,000 or 80 percent of the county median family income level.

Eligible nonprofit homes for the aging apply for tax relief during the year before taxes are due. The number of dwelling units occupied by low income persons is counted on January 1 of the year in which they apply. The reduction in the property tax bill occurs in the following year. There is a one-year delay between the date on which the number of low income occupants is measured and the year in which the exemption is received.

**Summary of Bill:**

The date for calculating the number of low income occupants of a nonprofit home for the aging is moved from January 1 to December 31.

The property tax exemption for nonprofit homes for the aging placed into service on or after January 1, 1996 may be recalculated based on the change in date.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.